



University Management Control Program

Presented by:

*USU Manager's Internal Control Program
Team*

*Office of Accreditation and
Organizational Assessment*



What is the Manager's Internal Control Program?

The Manager's Internal Control Program, as required by the Federal Managers' Financial Integrity Act (FMFIA), requires each agency to establish a system of internal controls to ensure that programs and administrative functions are efficiently and effectively carried out in accordance with applicable law and management policy; and to provide reasonable assurance each



What are Management Controls?

Management Controls are the organization, policies, procedures and practices used by agencies to reasonably assure that:

- Programs achieve their intended results,**
- Resources are used consistent with the University mission,**
- Programs and resources are protected from waste, fraud, abuse, and mismanagement**

Department Responsibilities

Department and Activity Heads also called Assessable Unit Managers (AUM) are responsible for establishing management control systems, performing management evaluations, and providing the President, USU with a Statement of Assurance each year regarding the adequacy of management controls within individual units.





University Reporting Requirements

Dr. Rice, President, is required to submit a Statement of Assurance to the Secretary of Defense each year.



Department Reporting Requirements

Each University Assessable Unit Manager AUM) is to submit a Statement of Assurance to Dr. Rice by July each year in preparation for his statement. Information gathered from assessable units is used as input for the University's Annual Statement of Assurance submitted to the Secretary of Defense, through the Assistant Secretary for Health Affairs.

Assessable Unit Manager

The AUM is responsible for identifying functional weaknesses that could present a low, medium or high risk using the following definition for each:

Low Control Risk (L) - For this management internal control standard, no significant control deficiencies exist

Medium Control Risk (M) - For this management internal control standard, a control deficiency or combination of control deficiencies exist, that in management's judgment, should be communicated to the office of the University President because they represent significant weaknesses in the design or operation of internal control that could adversely affect the organization's ability to meet its management responsibilities

High Control Risk (H) - For this management internal control standard, a control deficiency or combination of control deficiencies exist, that in department or activity management's judgment, should be considered by the University President for review by an outside agency (e.g. DODIG or DICS etc.).



There are three types of Statements of Assurance:

- 1. Statement of Assurance: “I have reasonable assurance that.....”**
- 2. Qualified Statement: “I have reasonable assurance that..except for..”**
- 3. Statement of no Assurance: “I do not have reasonable assurance that....”**

The statement of reasonable assurance does not report perfection in the assessable unit, rather reasonable assurance represents the manager’s informed judgement as to the overall adequacy and effectiveness of management controls within the unit



What is an Assessable Unit ?

An assessable unit is any organizational, functional, programmatic or other applicable subdivision capable of being evaluated by management control assessment procedures

Areas of Management Control within Assessable Units

- ⊗ Management and Oversight
- ▮ Mission, Operational Plan and SOP's
- ▮ Budget and Finance
- ▮ Travel
- ▮ Time and Attendance
- ▮ Contracting (IMPAC)
- ▮ Personnel
- ▮ Property
- ▮ Telephones
- ▮ Keys
- ▮ Safety
- ▮ Research
- ▮ Reviews and Audits
- ▮ Annual Statements of Assurance
- ▮ ADP Considerations



Sources of MC Information

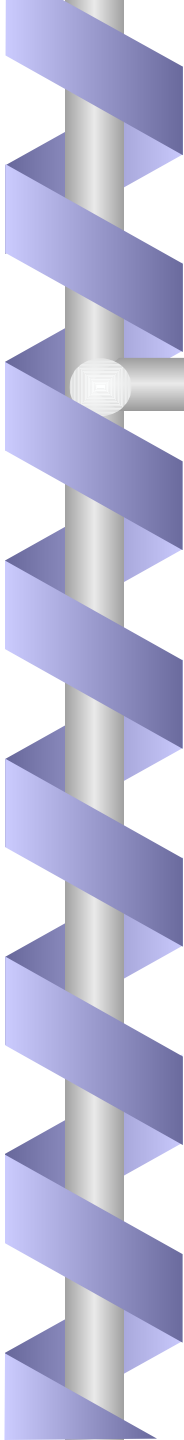
- ☼ Management Knowledge
 - Management Reviews
 - IG and GAO Reports
 - Program Evaluations
 - Reviews of financial information



Identifying and Reporting a Weakness

A material weakness is:

- A deficiency that is beyond the scope of the University and would require assistance from outside the agency to correct.**
- Such a weakness significantly impairs the fulfillment of the University's mission or operational objective; deprives the public of needed services; violates statutory or regulatory requirements; significantly weaken safeguards against fraud, waste, or mismanagement of**



Reporting a weakness (continued)

A systemic weakness is:

- **A deficiency that is reported only internally in an assessable unit.**

*** Example: Establishing mission and goals, filling of vacant positions, etc.**



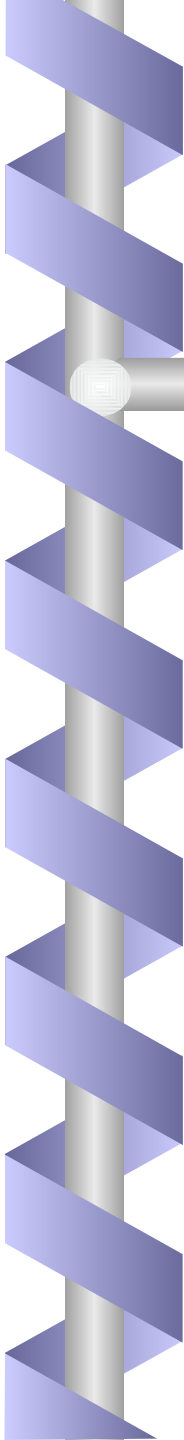
Designated Program Managers

Each Department/Activity Head shall designate their Administrative Officer as the internal program manager. The program manager shall keep abreast of department activities, coordinate the department's Statement of Assurance, and



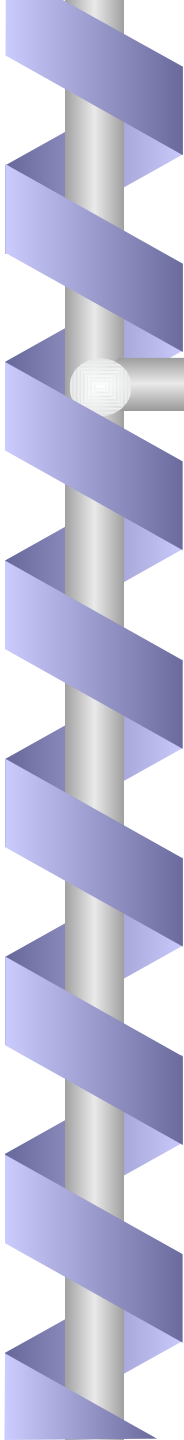
Program Manager Responsibilities

- ☼ Serve as point-of-contact for all management control information
- ▮ Oversee the implementation of the department management control program
- ▮ Emphasize prevention and correction of waste, fraud, and mismanagement
- ▮ Monitor department activities for compliance with FMFIA guidelines



“Agency managers and staff should be encouraged to identify and report deficiencies, as this reflects positively on the agency’s commitment to recognizing and addressing management problems. Failing to report a known deficiency would reflect adversely on the agency.....”

(OMB Circular No. A-123, Revised



“Agency managers are responsible for taking timely and effective action to correct deficiencies.....”

“Correcting deficiencies is an integral part of management accountability and must be considered a priority by the agency.”



USU Points of Contact

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Remember:

It is the responsibility of all University employee's to monitor management controls and protect against waste, fraud, abuse and



References:

- ▮ USUHS Instruction 7004, “Management Control Program,” dated December 12, 2000
- ▮ DoD Directive 5010.38, “Management Control (MC) Program,” dated August 26, 1996
- ▮ OMB Circular No. A-123, Revised, “Internal Control System,” dated June 21, 1995
- ▮ GAO, “Standards for Internal Control in the Federal Government,” dated June 1, 1983
- ▮ Federal Managers’ Financial Integrity Act (FMFIA) of 1982



Management Control Training

Completion:

Following the survey is a certificate of completion for the Management Control Program. Please type your name and then print the certificate as a reminder that you have completed the training.

<http://www.usuhs.mil/oac/mgmtctlsurvey.html>